

20 Things to Know About FHA Appraisals



FHA loan programs are an excellent way for a borrower to buy a home and fulfill their dream of home ownership. As part of the loan process, the home will be inspected by an appraiser approved by Housing & Urban Development (HUD). The appraiser will determine the value of the property, but also ensure that the new home is safe to be purchased. This is done by reviewing HUD health & safety guidelines and applying them during the inspection. The following list provides information that will be helpful in navigating the rules of FHA appraisals.

1. **Attic** If the property has an attic, the appraiser will do what is called a “head and shoulder” inspection. This is required even if the attic has been sealed off.
2. **Crawl Space** If the property has a crawl space, it will be inspected by the appraiser. As part of their inspection, they will look at the floor joints. The crawl space must be properly vented and free of any debris. The appraiser will also look for signs of pooling water or other potential moisture issues.
3. **Chipped/Peeling Paint** For homes built before 1978, lead paint is a concern. Any chipped, peeling or flaking paint must be properly cured.
4. **Exterior Weather Protection** Regardless of the age of the home, any chipping, peeling or flaking of paint must be cured, in order to protect the home from wood decay. This includes other structures on the property, such as decks, sheds and fencing. If the home is protected by stucco or siding, cracks or missing siding must be repaired.
5. **Appliances** FHA classifies appliances as; refrigerators, ranges/ovens, dishwashers, disposals, microwaves, and washers/dryers. Only those appliances that are included in the sale must be in working order.
6. **Garage Door** It is important that electric garage doors stop when met with resistance and reverse. They must also be connected to safety sensors.
7. **Firewall between the Garage and House** The firewall from the garage to the house should be structurally sound and intact. The door between the home and the garage should have self-closing hinges. If a pet door is installed between the garage and the house, this would be classified as a safety concern.
8. **Utilities** At the time of inspection, utilities and systems must be on and in working order; e.g. heating, plumbing, electrical, and other mechanical systems.
9. **Water Heater** If the home has a gas water heater, the appraiser will do an inspection to see that the pilot light is lit. This is done in order to confirm that the house has running hot water.
10. **Electrical** An inspection will be done to confirm that there are no dangling, frayed or exposed wires on fixtures or appliances, including the heating and air conditioning units.
11. **Windows** All windows must be fully intact with no large cracks. There must be no sign of broken glass or any other signs that a person could be harmed opening or closing the window or doors with glass. Bedroom windows when unlocked must open freely. If security bars are on the windows, they must open freely or be equipped with a safety quick release feature.
12. **Patio Decks** Deck’s that are in excess of 30’’ must have installed the appropriate guard and railings.
13. **Sliding Glass Doors** Should the house contain a sliding glass door that exits to the outside of the property and is at least 30’’ from the ground it must open to a fully finished decking area. If not, they must have installed safety devices.

14. **Water Damage** Should the house show signs of water damage, such as stained ceilings or wall boards, further inspections by a licensed home inspector or plumber will be required. Any confirmed damage must be repaired.
15. **Mold** The appraiser will inspect all areas of the home looking for signs of mold. Since most appraisers are not experts in mold mitigation, if there are signs of mold, they will most likely call for an additional inspection.
16. **Basements** The basement should not show signs of being wet, as that could be a sign of cracked walls or other issues with the foundation.
17. **Roof** The roof must not leak or allow for any moisture to seep into the home. If not new, the roof must appear to have a minimum of two years of life left and appear to be functional.
18. **Incomplete Work** FHA requires that the appraiser address any ongoing construction, repairs, improvements that they notice during their inspection. If not complete at the time of inspection, the appraiser will call for re-inspection for when the work has been completed.
19. **Smoke and Carbon Monoxide Detector** If the local building ordinance calls for there to be smoke or carbon monoxide detectors, the appraiser will comment if they notice them not installed in the home.
20. **Inaccessible or Locked Spaces** The FHA appraiser is required to inspect all rooms through the property, including storage spaces and the garage.